

Message Text

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ORIGIN XMB-04

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FM SECSTATE WASHDC

TO AMEMBASSY LONDON PRIORITY

UNCLAS STATE 056772

E.O. 11652: N/A

TAGS: EFIN, ETRD, UNK, ENRG

SUBJECT: EXIMBANK FINANCING FOR THE PIPER AND FRIGG FIELDS

1. ON MARCH 12, 1975, EXIMBANK AUTHORIZED THREE CREDITS AND A GUARANTEE FOR THE TWO SUBJECT PROJECTS.

2. ON THE PIPER FIELD EXIMBANK HAS AUTHORIZED A CREDIT OF \$35,235,000 TO FINANCE 45 PERCENT OF THE U.S. DOLLAR COSTS OF THE PROJECT PLUS ON THE THOMSON SCOTTISH PARTICIPATION A GUARANTEE OF \$7,047,000 WHICH IS 9 PERCENT OF U.S. COSTS. TERMS CALL FOR A CASH PAYMENT OF 10 PERCENT OR \$7,830,000 AND OTHER FINANCING NOT GUARANTEED BY THE EXIMBANK OF \$28,188,000 OR 36 PERCENT. THE FINANCING WOULD BE REPAID IN 16 SEMIANNUAL INSTALLMENTS BEGINNING FEBRUARY 10, 1977, WITH THE GUARANTEED AND NON-UNCLASSIFIED

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GUARANTEED PORTION BEING REPAID IN THE FIRST 8 AND THE EXIMBANK

IN THE LAST 8. THE EXIMBANK LOAN WOULD BE AT 8PERCENT INTEREST AND THE GUARANTEE FEE ON THE THOMSON SCOTTISH ASSOCIATES FINANCING WOULD BE 1 PERCENT A YEAR.

ON THE FRIGG GAS FIELD PLATFORM DEVELOPMENT WORK EXIMBANK HAS AUTHORIZED A CREDIT OF \$13.5 MILLION OR 45 PERCENT OF THE U.S. DOLLAR COSTS WITH CASH PAYMENT OF \$3 MILLION OR 10 PERCENT AND OTHER FINANCING FROM A CHASE MANHATTAN GROUP OF \$13.5 MILLION OR 45 PERCENT. REPAYMENT ON THE 90 PERCENT FINANCING WOULD BE IN 14 SEMIANNUAL INSTALLMENTS BEGINNING DECEMBER 10, 1977, WITH THE CHASE ROUP REPAID IN THE FIRST 7 AND THE EXIMBANK IN THE LAST 7. EXIMBANK INTEREST RATE WOULD BE AT 8 PERCENT

4. ON THE FRIGG FIELD PIPELINE WORK EXIMBANK HAS AUTHORIZED A CREDIT OF \$22.5 MILLION OR 45 PERCENT OF THE U.S. DOLLAR COSTS WITH A CASH PAYMENT OF \$5 MILLION OR 10 PERCENT AND NON-GUARANTEED CHASE GROUP FINANCING OF \$22.5 MILLION OR 45 PERCENT. THE 90 PERCENT FINANCED PORTION WOULD BE REPAYABLE IN 16 SEMI-ANNUAL INSTALLMENTS BEGINNING DECEMBER 10, 1977, WITH THE CHASE GROUP REPAID IN THE FIRST 8 AND EXIMBANK IN THE LAST 8. EXIMBANK INTEREST RATE WILL BE AT 8 PERCENT.

5. REQUEST EMBASSY ADVISE PIPER FIELD JOINT VENTURERS (OCCIDENTAL PETROLEUM (U.K.) LIMITED, GETTY OIL INTERNATONAL (ENGLAND) LIMITED, ALLIED CHEMICAL (GREAT BRITIAN) LIMITED, THOMSON SCOTTISH ASSOCIATES LIMITED (TSA) AND THE FRIG FIELD JOINT VENTURERS (BRITISH TOTAL OIL MARINE LIMITED (TOTAL UK), ELF OIL EXPLORATION & PRODUCTION (U.K.) LIMITED (ELF UK), AND AQUITAINE OIL (U.K.) LIMITED (AQUI UK) OF THIS ACTION WHICH WILL BE DETAILED IN LETTER TO THE VARIOUS CO-VENTURERS. FURTHER ADVISE BORROWER NEWS RELEASE INCLUDING ABOVE DETAILS SCHEDULED FOR ANNOUNCEMENT HERE NEXT TWO WEEKS UNLESS EMBASSY OR BORROWERS STATE OBJECTIONS. EMBASSY WILL BE PROVIDED FINAL TEXT OF RELEASE PRIOR TO WASHINGTON RELEASE.

6. OTHER THAN DISCUSSION WITH BORROWERS, REQUEST ABOVE INFORMATION BE WITHHELD PRIOR TO SUBJECT PRESS RELEASE. INBERSOLL

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